



The Office Of State Treasurer
Denise L. Nappier

News

PRESS RELEASE
FOR IMMEDIATE RELEASE
May 14, 2013

Connecticut Treasurer Denise Nappier Commends Starwood Capital Group for its Purchase of Blue Back Square

HARTFORD, CT – Connecticut State Treasurer Denise L. Nappier commended Starwood Capital Group, a General Partner of the Connecticut Retirement Plans and Trust Funds (CRPTF), for its commitment to strengthening the Connecticut economy through its purchase of Blue Back Square in West Hartford.

“Our efforts are always grounded first and foremost in partnering with the ‘best in class’ – what is in the primary interest of the CRPTF and its beneficiaries. We also have a policy interest in doing business with fund managers that can produce ancillary community and economic benefits for our State,” Treasurer Nappier said. “Starwood Capital’s acquisition deserves praise for what is analogous to a double bottom line strategy of prudent investment in our own backyard where there are tremendous resources of value, and high probability for strong investor returns.”

Starwood Capital is headquartered in Greenwich, CT. The CRPTF recently invested \$50 million in Starwood Distressed Opportunity Fund IX, the \$4.2 billion real estate fund that now owns Blue Back Square.

Over a number of years, Starwood Capital has invested nearly half a billion dollars in Connecticut, and pledges to do more. Properties include Residence Inns in Southington, Mystic and Danbury; apartment and condominium complexes in Greenwich and Stamford; and hotels in Glastonbury, Waterford and Norwich.

“From day one, when I assumed the Office of the State Treasurer, I vowed to look to do business with Connecticut-based companies first – that pay taxes here in our state and employ our residents. Starwood is a fine example of a real estate investment firm that not only fits this profile, but also is well positioned to generate maximum value for our state’s pension funds,” Nappier said.

Starwood Capital already has generated positive returns for Fund IX, and with the addition of the Blue Back Square property, the fund is expected to achieve a 17 – 20% internal rate of return for the CRPTF.

The CRPTF began its partnership with Starwood Capital during the Nappier Administration in 2006 with a \$50 million investment. A further \$50 million investment occurred in 2010.

The Starwood Opportunity Funds invest globally in attractive opportunities within market segments that present unique valuation and/or management challenges. Often this involves targeting real estate assets primarily acquired through the purchase of distressed non-performing loans. The Starwood funds predominately invest in North America but also provide the CRPTF global exposure through opportunities in Europe and emerging markets.

The CRPTF is a limited partner in real estate funds that so far have invested \$523 million in Connecticut since 2006.

Treasurer Nappier added, “The commitment by Starwood to acquire such a desirable piece of real estate in Connecticut bolsters my resolve to continue to look to increase our pension funds exposure with top quartile fund managers who can appropriately evaluate, structure and execute similar in-state investments.”

###